GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2328
ANSWERED ON:09.03.2000
EXPENDITURE ON STORAGE TRANSPORTATION OF FOODGRAINS
HARIBHAU MAHALE

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) the expenditure incurred on the purchase, storage and transportation of foodgrains per quintal by the Food Corporation of India during the last three years and the current year;

(b) whether the Food Corporation of India has increased the overhead charges fixed for rice and wheat during the above period;

(c) if so, the details thereof and the reasons therefor;

(d) whether huge amount is being spent for preservation of foodgrains in comparison to the actual cost of foodgrains;

(e) if so, the reasons therefor; and

(f) the steps taken by Food Corporation of India for reducing the said cost?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SRIRAM CHAUHAN)

(a) The expenditure incurred by the Food Corporation of India on the purchase, storage and transportation of foodgrains during the last three years and the current year is as follows:

(Rs./Qtl.)

WHEAT
1996-97

(Prov.)
1997-98

(Prov.)
1998-99

(Prov.)
1999-2000

(RE)

(i) Pooled cost of grains
390.73
484.34
507.12
550.00

(ii) Procurement incidentals and carry over charges to state agencies.
134.37
122.67
126.95
132.12

(iii) Distribution (inclusive of storage) cost.
115.06
179.34
163.09
137.73
Total :

640.16
786.35
797.16
819.85
RICE

(i) Pooled cost of grains

627.99

695.66

787.70

829.37

(ii) Procurement incidentals
61.41
55.21
65.50
75.20

(iii) Distribution (inclusive of storage) cost.
158.29
188.46
173.47
170.88
Total :
847.69
939.33
1026.67
1075.45

(b) & (c) : Yes, sir. The increase in the over-head charges during the last three years and decrease in the current year are as under :-

(Rate : Rs./Qtl.)
Commodity
1996-97

(Prov.)
1997-98

(Prov.)
1998-99

(Prov.)
1999-2000

(RE)
Wheat
115.06
179.34
163.09
137.73

Rice
158.29
188.46
173.47
170.88

The increase is attributable to the increases in railway freight, storage charges by CWC and other agencies and normal escalation.

(d) & (e) : The amount spent on buffer carrying cost per qtl. during the last three years is as follows :-

(Rate : Rs./Qtl.)
Year
Carrying Cost
1996-97
158.26
1997-98
172.89
1998-99
171.09
1999-2000 (RE)
172.02

(f) The steps taken by the FCI for reducing the said cost are :-

(i) Achieving the average capacity utilisation of 75% to reduce the storage cost even though the procurement of grain is seasonal,

(ii) Releasing the stock in the open markets at the prices above Central Issue Price,

(iii) Ensuring strict quality control measures during procurement/storage,

(iv) Issuing of old stocks, disposing off C&D category, and

(v) Controlling the administrative cost by following minimum recruitment of resultant entry level posts irrespective of the increased volume of operations.